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HON. BOB PACKWOOD, *Chairman*

FOR THE USE OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

UNITED STATES SENATE

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LETTER OF TRANSMITTAL

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
Washington, D.C., February 1, 1984.

DEAR COLLEAGUE: To accompany the funding resolution adopted by the Committee on Commerce, Science, and Transportation for the second session of the 98th Congress, I have requested the Committee staff to prepare this projection of our goals for the second session.

The Committee had a very productive first session, and the objectives that will be pursued during the second session build upon those efforts. Emphasis will be placed upon a wide range of issues involving the communications, merchant marine, transportation, highway safety, and consumer protection areas.

I look forward with great enthusiasm to working with my colleagues in achieving the goals presented in this report.

Cordially,

BOB PACKWOOD, *Chairman.*

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COMMERCE, SCIENCE, AND TRANSPORTATION

Fair Insurance Practices

The Committee intends to continue its examination of S. 372, the Fair Insurance Practices Act. The purpose of the legislation is to prohibit discrimination against individuals purchasing insurance and annuities on the basis of race, color, religion, sex, or national origin with respect to access, availability of coverage, terms, conditions, rates, benefits, requirements and in the methods of determining them. In the last session of Congress, the Committee held hearings to consider S. 372, and began a markup of the bill. Committee markup will resume as soon as the General Accounting Office finalizes its study on the cost impact of the legislation.

Women and men are discriminated against in the rating and benefits of insurance. Fundamental civil rights policy in the United States is that no individual shall be treated differently because of his or her membership in a racial, sexual, religious, or ethnic group. This policy has been applied under Federal laws or by the courts to employment, recreation, voting, and athletics. The time has come to extend this policy to the business of insurance.

Freedom of Expression

The Federal Government regulates the content of information transmitted by the electronic media (including radio, television, and cable), using a system that clearly would be found unconstitutional if it were applied to the print media.

The Committee is concerned about whether broadcasters and cable operators are being burdened by the various broadcasting laws. Legislation has been introduced, S. 1917, the Freedom of Expression Act, to repeal the fairness doctrine, the "equal time" rules and the other political broadcasting laws. The Committee will hold hearings on this bill during the second session.

AVIATION

International Aviation Support Act

The purpose of the International Aviation Support Act, S. 1693, is to increase and clarify the role of the Federal Aviation Administration (FAA) in supporting U.S. aviation abroad. The provisions of S. 1693 are intended to help navigation equipment manufacturers and not to affect airframe certification.

The subcommittee staff is currently in the process of working on a new draft of the bill in light of comments made by the administration. After that is completed, the subcommittee plans to hold hearings on S. 1693 and related issues.

Authorization of the CAB

Although not necessary, the subcommittee is considering authorizing the Civil Aeronautics Board (CAB) through the end of 1984. This action is being considered because of the uncertain funding status of the CAB for the last quarter of 1984. The subcommittee believes that it is imperative that the CAB be fully funded through 1984 in order to accomplish its important remaining functions.

Aviation Trust Fund Accounts

The subcommittee continues to have as its highest priority the full funding of all aviation trust fund accounts in fiscal year 1985. Such funding is badly needed to keep the planned National Airspace Modernization plan on target. Although the authorization has been completed, the subcommittee will continue to work for an appropriation equal to the authorization.

CAB Sunset

The subcommittee will continue to study the issue of CAB Sunset in order to accomplish an orderly transition of continuing CAB functions. The subcommittee has not yet decided whether legislation is required to reach this goal. Whether or not such legislation is considered by the subcommittee will be largely predicated on the administration's plans for implementing the transition of remaining functions.

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BUSINESS, TRADE, AND TOURISM

Travel and Tourism

The Committee accomplished its primary goal for travel and tourism in the first session of the 98th Congress by obtaining greater congressional support for the U.S. Travel and Tourism Administration. Funding of the Travel and Tourism Administration increased from $8.6 million in fiscal year 1983 to $12 million in 1984, due largely to passage of a Committee authorization bill (S. 212) calling for levels of $13 million, $14 million and $15 million for the respective years 1984 through 1986. The Committee will work to insure that the Travel and Tourism Administration continues to receive sufficient Federal funding to serve as an aggressive agency in support of the U.S. travel industry.

Also, the Committee has encouraged the Government to actively promote the upcoming 1984 World's Fair in New Orleans and the 1984 Summer Olympics in Los Angeles. In keeping with this goal, the Committee reported a resolution (S. Res. 167) that calls for a consolidation of Customs and Immigration inspection services to facilitate the free flow of foreign visitors to the United States. Since the Senate passed S. Res. 167, the Committee has monitored Federal agencies' efforts to implement the consolidation plan. The White House Cabinet Council has also come out in support of realigning Federal inspection services.

Another measure that would improve the reception of foreign visitors is waiver of the U.S. visa requirement. The Committee will continue to support waiver legislation in 1984.

The Committee will continue to oversee the implementation of the National Tourism Policy Act. This law created a Cabinet level Tourism Policy Council to provide proper coordination among agencies involved with travel and tourism, and established an Under Secretary of Commerce for Travel and Tourism. The Committee will maintain oversight of Federal responsibilities created by the National Tourism Policy Act and will assist the Under Secretary for Travel and Tourism in her efforts to promote foreign travel and tourism to the United States.

Business, International Trade, and Investment

A continuing concern of the Committee is the large U.S. trade deficit in the international exchange of manufactured goods. The Committee will maintain its oversight of the International Trade Administration, which is responsible for promoting U.S. exports and reducing trade barriers.

The service sector now accounts for about two-thirds of all U.S. economic activity, and the United States currently has a large trade surplus in the service sector. The Committee feels, however, that the

U.S. advantage in service trades could erode as other nations continue to industrialize. Therefore, the Federal Government should assist U.S. service industries in preserving their competitive advantage and the resulting trade surplus.

In order to encourage Federal support of service industries, the Committee has reported S. 1427, the Service Industries Development Act. This bill would create a Service Industries Development Program within the Department of Commerce. The Committee will work to reach a consensus with appropriate House committees on a final form for this legislation before passing S. 1427. In addition, the Committee intends to conduct oversight hearings to closely monitor the GATT negotiations concerning service industries within the Commerce Committee's jurisdiction—travel and tourism, insurance, aviation, motion pictures, telecommunications and information, franchising, maritime, etc.

The Committee has also overseen the implementation of the International Investment Survey Act of 1976, a law requiring the Commerce Department to periodically survey levels of foreign economic holdings in the United States and U.S. investment in other nations. Under the act, the Treasury Department is responsible for surveying all holdings by foreigners of U.S. securities and financial instruments.

In reauthorizing the act, the Committee developed legislation (Public Law 97–33) requiring the Secretary of Commerce to monitor measures taken by major U.S. trading partners that restrict U.S. investment in their economies. This provision is intended to determine to what degree U.S. industry is being hampered by protectionist foreign investment laws.

The Committee will continue to evaluate the information gathered pursuant to the International Investment Survey Act and hearings will be held when appropriate.

COMMUNICATIONS

Introduction

The Communications Act of 1934 is now 50 years old. The legal and regulatory framework established by that act is in many respects outmoded, and the Congress must provide appropriate guidance on national telecommunications policy to the Federal Communications Commission (FCC) and the courts. Existing regulatory policies must be reviewed, and revised where necessary, to ensure that they improve the delivery of telecommunications goods and services to the consumer. Statutory changes are needed in certain areas to encourage innovation and competition. The test is not, however, simply whether a particular policy promotes or discourages competition and deregulation and can be justified solely by simple economic theories. In the end, the FCC, Congress and the executive branch must ensure that national communications policy is in the public interest.

National Telecommunications and Information Administration (NTIA) Authorization

NTIA was established in 1978 through consolidation of the Office of Telecommunications Policy in the Executive Office of the President and the Commerce Department's Office of Telecommunications. Responsibility to administer the Public Telecommunications Facilities Program (PTFP) was transferred to NTIA in 1978. Appropriations for NTIA for fiscal years 1983 and 1984 were authorized by title II of the Commmunications Amendments Act of 1982 Public Law 97–259).

NTIA's responsibilities in 1983 included: (a) fulfilling the responsibilities delegated by the Secretary of Commerce, and serving as the principal executive branch adviser to the President on communications policy; (b) prescribing policies for and managing Federal use of the radio frequency spectrum, pursuant to section 305 of the 1934 Communications Act, as amended; (c) together with the Department of State, the FCC, and other agencies, developing and presenting U.S. international telecommunications plans and policies, and coordinating U.S. Government positions in conjunction with international telecommunications conferences and meetings; (d) administering the PTFP and participating as a statutory member of the Temporary Commission on Alternative Financing for Public Telecommunications, pursuant to section 1232(b) of the 1981 Omnibus Budget Reconciliation Act (Public Law 97–35); and (e) serving as a Federal telecommunications research and study center, providing expert technical support to other agencies, chiefly through the Institute for Telecommunications Sciences (ITS) in Boulder, Colo.

The existing authorization for the NTIA expires in fiscal year 1984. The Committee will act on reauthorization legislation for fiscal years 1985 and 1986 this year.

The Committee intends to ensure that the NTIA receives a level of funding commensurate with its crucial functions. The Committee will review NTIA's activities particularly with respect to progress being made on a congressionally mandated study of spectrum use by Federal agencies. Attention will also be given to NTIA's coordination of U.S. preparations for international telecommunications conferences.

Broadcasting and Cable Issues

In the preceding session, the Senate passed broadcast deregulation legislation (S. 55), and the first major legislation governing cable telecommunication (S. 66). Should the House of Representatives pass corresponding legislation the Committee is prepared to expeditiously resolve differences between the respective bodies.

The Committee will monitor the FCC as it authorizes new broadcasting facilities, such as low power television, FM drop-ins, and similar services. The Congress has previously empowered the FCC to utilize lotteries for the selection of licensees, and the Committee will closely monitor the FCC's use of lotteries in broadcast or other services to ensure that this device is fulfilling congressional expectations.

Corporation for Public Broadcasting

In 1984, the Committee will consider legislation to authorize appropriations for the operations of the Corporation for Public Broadcasting (CPB) for fiscal years 1987, 1988, and 1989. The practice of multiyear, advanced authorizations, began in 1975, provides the public broadcasting industry with an added measure of insulation from Federal control over an interference with program decisions. In addition, advanced authorization gives needed stability and planning capabilities to the industry.

The Committee will seek to set authorization levels that are sufficient to provide adequate support for the public telecommunications system. The Committee recognizes that the Congress desires to maintain restraints on the Federal budget and will balance this concern with the important role played by public broadcasting. The Committee also will examine the circumstances surrounding the recent financial difficulties at National Public Radio, a recipient of CPB funds. The limited Federal funds made payable to public broadcasting must be used in a prudent, well-managed fashion.

In addition, the Committee will consider the need for further Federal funding of the public telecommunications facilities program, which is administered by NTIA.

Domestic Common Carrier

While the Consent Decree between AT&T and the Department of Justice settled the basic structural issues regarding the Bell System, the divestiture has created new problems for Federal and State regulators, for AT&T and the regional Bell operating companies, for their competitors and for the consumer.

The Committee will continue oversight of the Consent Decree's implementation and related actions by the FCC, as well as oversight of the efforts by the FCC to promote competition in domestic communications services and equipment markets. Particular attention will be given to the continuation of universal telephone service and the impact that the divestiture and regulatory action is having on emergency preparedness, national defense and security needs. The effectiveness of new institutional arrangements developed by the FCC, Department of Defense and the telecommunications industry to meet those needs within a competitive marketplace will be reviewed.

The protection and continuation of universal telephone service during this time of far-reaching changes in the telephone industry and in the regulatory structure will be a primary concern of the Committee. Through the careful monitoring of the effects of these changes, the Committee will determine if legislation will be necessary to ensure that consumers have access to basic telephone service at reasonable rates. The Committee will hold hearings when necessary to review the FCC's implementation of its responsibilities in this area.

International Telecommunications Competition and U.S. Policymaking

Carriers providing international telecommunications services have been subjected to a changing regulatory environment as a result of technological advances and FCC and court decisions. Congress should establish a new policy for international services.

In addition, U.S. policymaking efforts in international telecommunications are divided among the various agencies of the executive branch and the FCC. The result is a lack of coordinated activity, leading to inadequate U.S. preparedness for important international telecommunications conferences. During the first session, the Committee considered S. 999, a bill designed to promote competition and eliminate regulations barriers to the provision of international telecommunications services. This bill also provided for changes in the executive branch to streamline policymaking in international telecommunications.

The Committee will review this legislation, in light of recent questions about the structure of the Communications Satellite Corporation (Comsat) and related actions proposed by the FCC to promote competition in international communications services and equipment markets. Further attention will be given to the issues presented by the applications pending before the FCC by companies seeking to offer alternatives to services offered by the International Telecommunications Satellite Organization (Intelsat).

CONSUMER

Introduction

The last decade and a half has seen the enactment of many far-reaching proposals to provide consumers with increased protection in such areas as product safety, poison prevention packaging, warranties, and unfair or deceptive business practices.

In an effort to ensure that these programs are achieving the goals set out for them by the Congress, the Committee will continue its oversight of agencies having responsibility for administering these programs and make appropriate recommendations to ensure their effective operation. In doing so, the Committee will continue to focus on regulatory reform within the agencies under its jurisdiction to eliminate overlapping, duplicative, and ineffective regulations which often lead to higher costs for consumers and businesses.

The Committee will also continue its legislative activities in the areas of product liability tort reform.

Federal Trade Commission

The Federal Trade Commission (FTC) is empowered to prevent "unfair methods of competition" and "unfair or deceptive acts or practices." The FTC Improvements Act of 1980 required, among other things, that the FTC undertake significant changes in its procedures for conducting investigations and rulemakings. During the 97th Congress, the Committee monitored the agency's compliance with the Improvements Act and undertook a broader review of FTC activities in connection with the agency's reauthorization. However, while legislation to reauthorize the FTC (S. 2499) was reported by the Committee, it was not considered by the full Senate, and authorization for the FTC expired at the end of fiscal year 1982.

During the first session of the 98th Congress, the Committee conducted additional hearings on the FTC, and again reported authorization legislation (S. 1714) on September 1, 1983. This legislation contains compromises in three controversial areas, including the FTC's authority over State-regulated professions, "unfair" advertising, and agricultural cooperatives. The Committee expects the Congress to complete action on this important legislation in the upcoming session.

Consumer Product Safety Commission

In 1972, Congress created the Consumer Product Safety Commission (CPSC) in an attempt to reduce consumer product related injuries and deaths in the United States. Since that time there has been concern that the agency has not been as effective as it could be in carrying out its statutory mandate. The Committee conducted extensive hearings during the 97th Congress and made several changes in the agency's statutory scheme (Public Law 97-37).

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During the first session of the 98th Congress, the Committee conducted 4 days of reauthorization hearings on the CPSC. The Committee reported new legislation (S. 861) on April 12, 1983, which passed the Senate on June 16. The Committee expects Congress to complete action on this authorizing legislation during the second session of the 98th Congress. The Committee will continue its oversight of this important consumer protection agency.

Product Liability Act

For the past 5 years the Committee has been in the forefront of legislative activities in the product liability area. This effort began in 1977 with the introduction of the first comprehensive legislation to address both the insurance and tort reform aspects of the problem. This was followed by enactment of the Product Liability Risk Retention Act of 1981 in the first session of the 97th Congress. During the second session of the same Congress, the Committee reported S. 2631, the Product Liability Act on October 1, 1982. The Product Liability Act was reintroduced in the current Congress as S. 44, and additional hearings were conducted. The Committee expects to consider this legislation again early in the upcoming session.

Cigarette Labeling and Advertising

Since 1964, when the first Surgeon General's report on smoking and health was issued, additional scientific evidence has become available relating cigarette smoking with lung cancer, heart disease, emphysema, miscarriages, and cancers of the larynx, oral cavity, esophagus, bladder, and kidney. However, the health warning now required for cigarette labels and advertisements has not changed since 1970. A recent study by the staff of the FTC questioned the effectiveness of the current warning label. The Committee expects to review this issue during the upcoming year.

Mandatory Deposits on Beverage Containers

Legislation requiring a minimum 5-cent deposit on specified beverage containers is under consideration by the Committee. The purpose of the legislation is to create an incentive for consumers to return empty beverage containers for a deposit refund in order to: (1) reduce litter, (2) reduce solid waste, (3) conserve energy and raw materials (bauxite and iron ore), and (4) promote safety.

The Committee has held numerous hearings on the issue in the past and has reviewed numerous Government and industry reports on the effects national legislation would have on litter and solid waste control, consumer costs, and conservation of energy and raw materials.

MERCHANT MARINE

Introduction

The Committee exercises authorization and oversight responsibility over the three Federal agencies guiding U.S. domestic and international maritime policy. The Federal role in this area has long been established, having first been set forth in article I, section 8 and article III, section 2 of the United States Constitution.

The Maritime Administration (MarAd) (within the DOT) seeks to promote the U.S.-flag merchant marine, U.S. shipbuilding capacity, and U.S. ports. The Federal Maritime Commission (FMC) is an independent agency which regulates domestic and international maritime transportation. The Coast Guard (within the DOT) supervises recreational and commercial waterborne safety and law enforcement.

Maritime Administration

The primary purpose of the MarAd and its programs is to ensure a strong U.S. merchant marine by promoting U.S.-flag shipping and the domestic shipbuilding industry in times of peace, and to ensure the defense readiness of both in the event of war or other national emergency.

Over the past few years, numerous changes have significantly affected our merchant marine. These include the reconsideration of traditional subsidy programs, the reemergence of the U.S.-flag cruise fleet, the temporary opportunity to build vessels at world market prices, unilateral assertion of cargo reservation by various trading partners and the subsequent rejection of those efforts by the U.S. Government, diversion of cargo from U.S. Atlantic ports to Canadian ports, and the spectre of a worldwide cargo reservation scheme pursuant to U.N. treaty. These and other issues will be addressed during the 98th Congress by the Merchant Marine Subcommittee.

Today, the maritime industry, including our ports, ocean shipping companies, and shipbuilding yards, provides jobs to approximately 1.5 million Americans and contributes $22 billion to our economy. Despite the industry's national and international importance, both economic and for purposes of national defense, the maritime industry finds itself in a tenuous state. The merchant marine depends upon, and can be dramatically affected by Federal programs.

In both the bulk and liner trades, the U.S. merchant marine is not what it has been, or what it could be. The U.S. dry bulk fleet today numbers only 17 vessels and carries less than 2 percent of our dry bulk trade. The United States is, therefore, almost totally dependent upon foreign-flag ships to carry bulk cargo essential to both U.S. import and export trades. In spite of the present downturn in the world economy, the United States remains poised to become a major worldwide supplier of coal. Yet, we do not have sufficient vessels available at com-

petitive rates to carry our coal to foreign markets. From the standpoint of national defense, the potential consequences of our inadequacy are especially serious. The United States itself is self sufficient in only 3 of 71 strategic minerals essential to national defense. Without the program of preference for Government-impelled cargoes and the Jones Act, it is unlikely that there would be any U.S.-flag dry bulk vessels.

A similar conclusion can be reached in the case of U.S.-flag liquid bulk vessels, which are currently engaged in carrying oil from Alaska for U.S. consumption, as well as in filling the Strategic Petroleum Reserve. In the liner trades, the U.S.-flag share of cargo carried is approximately 27 percent. While this is respectable, particularly in comparison with our bulk fleet, it is still a significantly smaller share than has been carried by U.S.-flag liner ships in past years.

AUTHORIZATION

The Committee is charged with annually overseeing and authorizing the various maritime programs administered by the MarAd. During the second session of the 98th Congress, the Committee will consider the fiscal year 1985 programs authorization. Essential elements of the MarAd program include:

Operating-Differential Subsidy (ODS)

The Secretary of Transportation is authorized to pay ODS to U.S. shipping companies in order to achieve cost parity in seamen's wages, vessel insurance, and maintenance and repairs not covered by insurance. ODS is intended to ensure that American shippers will have regular and frequent services between U.S. and overseas markets at reasonable and competitive freight rates.

In order to receive ODS, companies must assume rigid long term contract obligations and operate under strict operating limitations as to trade routes and services. Financial obligations are also involved. Companies must place a part of their earnings in capital reserves for use in vessel replacement.

During the past 12 months, at least two major liner companies have expressed an intention to renegotiate and terminate their ODS contractual obligations. The Committee will review the impact of such proposals on the competitive position of the U.S.-flag fleet, the statutory authority of MarAd to terminate or renegotiate the obligations under the contract, other maritime goals, and the reduction of Federal outlays.

Research and development

This program develops methods, systems, and equipment to assist the U.S. shipbuilding and ship operating industries to be more productive and more competitive with foreign shipyards and operators. Programs are aimed at development of information and technology that will result in lower shipbuilding costs, operating costs, and Government subsidies for both ship construction and operation. Substantial participation of industry is obtained through cost sharing. MarAd also assists in port development and promotion through a regional office network.

Merchant Marine Academy and State marine schools

MarAd operates the U.S. Merchant Marine Academy at Kings Points, N.Y., where U.S. citizens are trained to become merchant marine officers. The Academy has an enrollment of about 1,000 and graduates about 200 students annually.

MarAd also supervises the Government grants and student aid given to the six State marine schools, which are located in Maine, New York, Massachusetts, California, Texas, and Michigan. These schools have a total enrollment of about 2,000 and graduates about 400 students annually.

Graduates of both the Academy and State schools are generally employed at sea as deck or engineering officers, or ashore in the maritime industry.

Supplementary training

Section 216(c) of the Merchant Marine Act, 1936, authorizes MarAd to prescribe, conduct, and supervise such courses as it may deem necessary to supplement other training facilities. The basic objectives under the current training program are to assist in providing a trained shipboard work force and improve safety of life and property in shipboard pollution resulting from ship collisions, groundings, and fires. Training is provided through modest training facilities located on each of the four seacoasts.

National Defense Reserve Fleet

The National Defense Reserve Fleet provides an inventory of ships to supplement the active fleet in times of war and national emergency. The fleet is the only source of reserve break-bulk shipping capacity available to the United States during a military or commercial shipping crisis. Reserve fleet sites are also used as repositories for ships awaiting disposal.

Other operating expenses

This program provides for overall program direction and administration and for general administration not directly assignable to specific programs; for program direction and administration of the subsidy and research and development programs; and for program direction and administration and costs of the following programs: Capital construction manpower administration, title XI loan guarantee program, emergency planning/operations, market development, advanced ship operation systems, port and intermodal systems, and domestic shipping.

LEGISLATION

Vessel construction

During fiscal year 1982, Congress temporarily allowed U.S.-flag carriers receiving ODS to enter into contracts to construct vessels in foreign shipyards and also allowed immediate eligibility for cargo preference carriage. Before authority terminated on September 30, 1982, authority was received from the Secretary of Transportation for the construction, reconstruction, and acquisition of 48 vessels. This was a temporary measure designed to provide an alternative source of vessels, while Congress and the administration developed a shipbuilding program. (The Construction Differential Subsidy (CDS) pro-

gram had proven insufficient to achieve parity between U.S. shipyards and their foreign competitors, and has been unfunded over the past 2 years.) With the need to provide U.S.-flag vessel operators with modern ships at costs similar to those paid by their foreign competition, the "build-foreign" alternative will be examined again during second session of the 98th Congress.

In addition, the Committee will continue to examine other alternatives, such as cargo reservation and a Government "build-and-charter" program. Also, under its Coast Guard jurisdiction, the Committee will review U.S. construction standards in order to reduce the costs of domestic shipbuilding without sacrificing safety.

Cargo reservation schemes

Cargo reservation has long served as a means of ensuring the existence of a merchant fleet by guaranteeing cargo for it to carry. It also serves to provide construction opportunities for domestic shipyards. The Jones Act and the Government-impelled cargo preference program are two examples of cargo reservation. During the first session of the 98th Congress, legislation was introduced in the House and Senate to reserve varying percentages of bulk cargoes in the U.S.-international trades to U.S.-flag vessel. To the extent that cargo reservation results in increased transportation costs to shippers, these proposals have generated significant controversy. The Committee will continue to examine this issue during the second session of the 98th Congress. The goal of the Committee is to balance the need to develop a U.S.-flag fleet and shipbuilding base, with the need of shippers and agricultural and coal exporters to be competitive in world markets.

Jones Act waivers

Periodically, the Committee receives requests for a waiver of the Jones Act requirement that all vessels serving the domestic trades be built in the United States and have been continuously owned and operated under the U.S. flag. It is the Committee's responsibility to consider such requests individually, and to determine their potential impact on domestic commerce. When appropriate, the Committee will report implementing legislation.

Alaska vessel service

An issue of particular importance to some members of the Committee involves vessel service to Alaska. The goal of the Committee in this area will be to continue the development of a strong U.S.-flag waterborne transportation system from the continental United States to all parts of Alaska.

Federal Maritime Commission

The regulatory portion of U.S. shipping policy is administered by the FMC. Our regulatory policy is intended to safeguard against agreements and practices in the U.S. liner trades which would be detrimental to the commercial interests of the United States. Thus, all carriers operating in the foreign commerce of the United States, whether U.S.-flag or foreign, whether subsidized or not, whether conference members or independents, must compete openly and fairly with one another.

AUTHORIZATION

Although the FMC is already part of the oversight responsibility of the Committee, it has not been subject to the annual authorization process. The FMC is a relatively small agency, presently with 291 employees. The Committee will review and authorize the FMC's fiscal year 1985 budget.

LEGISLATION

The Shipping Act of 1983

The Shipping Act, 1916, as amended, is intended to encourage competition in our liner trades on the one hand, while permitting limited anticompetitive practices to encourage stability on the other. To do this, the 1916 Act attempts to balance the benefits of competition and the benefits of the conference system by immunizing certain anticompetitive economic agreements among carriers from the impact of the antitrust laws, if these agreements are filed with the approval by the FMC.

The FMC is authorized to approve these agreements as necessary in our liner trades to secure, among others, the following advantages: regularity and dependability of service; extended periods of stable rates; and uniformity of rates to all shippers. However, chiefly because of the attitude of the Justice Department and its opposition to the approval of section 15 agreements, our regulatory policy has been frustrated.

In the Committee's view, it makes no sense to expend large sums of tax dollars to promote a strong maritime industry, if on the other hand, we regulate it in a discriminatory manner which prevents it from competing equitably and fairly with foreign flags in our trades.

In an attempt to remedy these problems the Committee, as its first priority, will pursue to final passage the Shipping Act of 1983. The goal is to clarify the exemption of concerted economic activity in the maritime area from U.S. antitrust laws, amend the standards and streamline the procedures for approval of agreements for economic cooperation, strength and conference system, and provide greater flexibility and improved negotiating posture for shippers, both large and small.

While Congress considers improvements to its international ocean regulatory law, other nations including Canada and European Community members are developing their own regulatory programs. These include amendments to the Rules of Competition under the Treaty of Rome. The Committee will seek to reduce any conflicts which might develop between the United States and foreign regulatory schemes.

Canadian cargo diversion

Of continuing concern to the Committee is the movement of U.S.-originated cargo through Canada, rather than U.S. ports. This problem is of particular concern to U.S.-Atlantic ports. The reasons for this diversion, including the need for regulatory consistency in dealing with U.S. cargo movements regardless of port of departure, will be examined.

Section 19, The Shipping Act, 1920

In response to unilateral cargo reservation schemes by certain of our trading partners during the past year, the FMC has utilized the provisions of section 19 of the Shipping Act, 1920, to maintain free trade and continued U.S.-flag participation. Experience has shown that the more rapid and firm the U.S. response toward these anti-competitive measures, the less likely they will be fully implemented by the other nation.

Significant discretion is allowed the FMC under section 19 as to whether to proceed rapidly or much more slowly. While the present FMC Commissioners have in recent months moved firmly and promptly, it may be possible to further discourage unilateral actions by legislatively manding a tight schedule of review and, if necessary, a quicker, mandatory application of suspension provisions.

U.N. Code of Liner Conduct

The U.N. Code of Liner Conduct is a product of the U.N. Conference on Trade and Development and reflects a long term effort to allocate the carriage of cargo among international trading partners. It would require that, in the liner conference trade between two nations, the majority of cargoes would be carried by each of the two country's flag fleets. Thus, a significant portion of trade could be subject to increased ocean transportation costs.

The United States has strongly opposed the Liner Code. While many of our trading partners would accept the basic scheme of the Code as regards to their trade with the Third World, they have proposed a so-called "Brussels Package" to exempt the EEC nations as to trade among themselves. This, combined with nonratification by the United States and others, has resulted in nonapplication of the Code to any U.S. trade.

U.S. Coast Guard

The third agency within the Federal maritime triad, the Coast Guard, is the principal maritime safety and law enforcement agency. Over the years, the Coast Guard's role has expanded substantially. It not only absorbed the International Ice Patrol, the old "Lifesaving Service," the Lighthouse Service, and the Bureau of Marine Inspection, parts of the U.S. Customs Service and the Corps of Engineers, but also received a variety of new assignments by virtue of laws passed by Congress in the 1970's. Since 1967, when it was moved from the Treasury Department, the Coast Guard has been part of the DOT.

AUTHORIZATION

In an effort to provide the Coast Guard and the administration with a blueprint for budgetary planning, the Committee will report an authorization bill for fiscal years 1984 and 1985. During consideration of the authorization bill, the Committee will review the adequacy of authorized spending levels in light of continually increasing responsibilities being delegated to the Coast Guard. Attention will be focused on the consequences of the Federal drug interdiction effort by the special task force centered in south Florida, and the critical Coast Guard role in that effort. Proposals to transfer some Coast Guard functions to

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private enterprises and charge users for selected services will be considered as well.

LEGISLATION

Tonnage measurement

Another area on which the Committee will focus its attention is the Tonnage Measurement Convention approved by the International Maritime Organization and previously ratified by the Senate on September 30, 1982. The Committee's role will initially be to formulate implementing legislation for the Convention and subsequently to conduct oversight and review of the implementation.

Vessel construction

An analysis of U.S. vessel construction standards is long overdue. The Committee will look into ways for adjusting current standards in order to allow U.S. ship construction to become competitive and commensurate with the standards and production levels of foreign shipbuilders, without sacrificing safety, quality, and environmental protection. This vast and highly technical area will require extensive review by the Committee. This can be accomplished through close consultation with industry and Government experts. The Committee will subsequently hold hearings to analyze their conclusions. The goal will be introduction of comprehensive legislation late in the session.

Oil spill liability

The Committee will continue to consider the desirability of legislation in the area of oil spill liability and compensation. Maritime oil spills adversely affecting the marine environment may be addressed by legislation creating an oil pollution trust fund to permit Federal clean up and prompt compensation of vessel spills. Such legislation will have to be developed in the context of this year's renegotiation and possible U.S. ratification of the 1969 International Convention on Civil Liability for Oil Pollution Damage and its companion treaty, the 1971 International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage.

Load lines

Maritime carriers have expressed concern over the need to harmonize the existing laws applicable to load lines, so that cargo carrying capacity can be increased without undercutting safety objectives for labor. The Coastwise Load Line Act and other statutes and treaties on load lines for international and Great Lakes voyages will be the subject of this effort. The goal will be to bring about load line standards that, to the extent possible, will be the same no matter what kind of voyage is involved.

Icebreakers

The Committee will evaluate the funding procedure for Coast Guard icebreaker operations. The Coast Guard's five polar icebreakers are the only large icebreakers owned by the United States. At the present time, one of the other three Federal agencies responsible for funding operation of the polar icebreakers along with the Coast Guard, has failed to provide its share of the funds. As a result, one of the polar icebreakers may be laid up in the next few months.

NATIONAL OCEAN POLICY STUDY

Introduction

It is generally recognized that many resources of the oceans are underutilized. The Committee feels that through sound development and management these assets can be used to augment dwindling land based supplies of energy and mineral resources as well as provide a large source of food protein.

At the same time, the Committee is very conscious of its responsibility to assure adequate environmental protection for the delicate natural balances found in the ocean ecosystem. It is the view of the Committee that the goals of development and environmental protection are not incompatible, but that great care must be taken in developing a balance between them.

In addition, the increasing pressures on the Federal budget are having an impact on ocean and atmospheric programs. All budget options must be weighed during the second session of the 98th Congress so that the effectiveness of Federal programs in this area can be maintained. In many cases we will find that there simply is no alternative to continued Federal funding for ocean and atmospheric programs. With this in mind, the Committee is committed to the maintenance of all those programs which are viewed as being important to the national welfare.

The National Ocean Policy Study (NOPS), which is administered by the Committee on Commerce, Science, and Transportation, has oversight responsibility for all ocean related issues. Established by Senate resolution NOPS membership includes representatives from all standing committees that share an interest in ocean issues. Oversight includes, among others, fisheries, marine mammals, coastal zone management, ocean energy and mineral resources, ocean pollution, and marine science. The purpose of NOPS is to provide a cross-Senate forum for discussion and to report findings or recommendations for legislation to the Senate.

The activities of NOPS and the Committee in the ocean and atmospheric areas during the second session of the 98th Congress fall into two categories: reauthorization and oversight (including new legislative initiatives).

Reauthorization

National Oceanic and Atmospheric Administration (NOAA)

AUTHORIZATION/ORGANIC ACT

Congressional authorization of NOAA programs has been a haphazard process in the past. The Committee believes that a better organized and more comprehensive system is necessary for accomplishing this function.

The restructuring of the NOAA authorization process will consist of two steps: the formulation of a comprehensive authorization package, and enactment of organic legislation for NOAA. Both steps would help to strengthen NOAA's ability to carry out its missions. Presently, NOAA's charter consists of only a vague Executive order. In addition, current legislative oversight of the NOAA budget focuses on only 30 percent of the agency's programs. These facts contribute to NOAA's vulnerability to reorganization, program transfers to other agencies, and unwarranted budget reductions. The Committee feels that a stronger showing of interest in the NOAA mission will help ensure that the agency carries out ocean and atmospheric programs as intended by the Congress.

The comprehensive authorization program begun by the Committee 2 years ago for NOAA includes ocean and coastal programs, marine fishery resource programs, and atmospheric and satellite programs. On an agency basis it covers the National Weather Service, National Ocean Survey, National Marine Fisheries Service, and the National Sea Grant Program. Some progress was made during the first session toward effecting a comprehensive NOAA authorization, and the specific structure of the authorization process will continue to be refined during the second session of the 98th Congress.

In addition to the procedure outlined above, any NOAA authorization package will have to include reauthorization of a number of expiring programs.

NATIONAL AQUACULTURE ACT

The future of Federal involvement in aquaculture is uncertain. The reauthorization of this act was very nearly completed last year. However, final legislation was not enacted. The Committee will work for passage of the Aquaculture Act reauthorization very early in the second session of the 98th Congress.

SECTION 4 OF THE FISH AND WILDLIFE ACT OF 1956

The future of the Fisheries Loan Fund is another area of uncertainty which the Committee must address. Moneys from foreign fishing fees have accrued in the Fund, and the balance is now approaching $60 million. Possible fishery related uses for this money will be explored as part of the reauthorization process during the second session.

NATIONAL SEA GRANT COLLEGE PROGRAM ACT

The Sea Grant Program, created in 1966, and revised by the National Sea Grant College Program Act of 1976, established an educational and research base for applied marine research. Patterned after the Land Grant College program, it provides for a three-pronged mission; that addresses marine education, research, and advisory programs which relay practical information and assistance to marine resource users.

For this reason the Committee reported a 2-year reauthorization for Sea Grant in the first session of the 98th Congress. Passage of a slightly revised authorization is expected during the second session.

TITLES II AND III OF THE MARINE PROTECTION, RESEARCH AND SANCTUARIES ACT OF 1972

Title II requires the Department of Commerce to perform ocean dumping research. Although a broad spectrum of opinion exists on ocean dumping, the Committee supports research designed to monitor and assess the impact of such activity on the ocean ecosystem. For this reason the Committee reported a 2-year reauthorization for this program in the first session. Passage by the Congress is expected in the second session.

Title III authorizes the Marine Sanctuaries program within the Department of Commerce. This program was initiated to preserve and protect unique marine areas for the continued use and enjoyment by succeeding generations of Americans.

In the first session of the 98th Congress, the Committee examined complaints brought by oil and gas development interests, as well as commercial fishing interests regarding site selection procedures for new sanctuaries.

Working with environmental interests and these user groups, the Committee reported amendments to title III which addressed these complaints. It is the Committee's intent to incorporate these amendments within the reauthorization legislation to reduce the uncertainty and confusion presently surrounding the site designation process. Passage by the Congress is expected this session.

NATIONAL CLIMATE PROGRAM ACT

The National Climate Program Act of 1978 recognizes that the climate fluctuations have a major impact on food production, water resources, energy supplies and usage, the economy, and human welfare. The act emphasizes long term research efforts aimed at understanding the very complex climate process, and a balanced program of research and application to make use of the extensive climate data that already exists. NOAA has been designated to lead a multiagency Federal program involving the Departments of Agriculture, Defense, Energy, and Interior, NASA and NSF.

The Committee assessed the progress of this program in the first session and reported a 3-year reauthorization which is expected to be approved early in the second session.

NATIONAL OCEAN POLLUTION PLANNING ACT

This act provides for coordination of all Federal activities in the area of ocean pollution research and abatement.

In the first session the Committee reviewed the progress of this program and recommended a 2-year reauthorization to assure the continued coordination of U.S. marine pollution activities. Passage of this reauthorization is expected in the second session.

NATIONAL ADVISORY COMMITTEE ON OCEANS AND ATMOSPHERE (NACOA)

NACOA's mission is to provide the President and the Congress with reports and advice on the course of national ocean policy.

The Committee examined NACOA's resources and responsibilities in the first session of the 98th Congress. A 2-year reauthorization has been reported, with passage expected in the second session of the 98th Congress.

MARINE MAMMALS

The Marine Mammal Protection Act of 1972 will be reauthorized during the second session of the 98th Congress. The act established strict criteria for the treatment of all marine mammals in U.S. waters.

In the past, reauthorization of the act has been controversial and the Committee expects this year's reauthorization will deal with several thorny issues. The Committee will work with environmental groups, affected industries, the States, and native peoples during review of the act to ensure the best possible procedure for protecting and managing marine mammals.

WEATHER MODIFICATION REPORTING ACT

Extreme weather can cause severe damage to crops and property and result in injuries and loss of life. Better information about extreme weather conditions, as well as the possible modification of the natural destructive processes, could have enormous financial and social benefit.

The Committee proposed reauthorization of this act in the first session of the 98th Congress. Passage is expected early in the second session.

OUTER CONTINENTAL SHELF REVENUE SHARING

The Committee reported legislation in the first session of the 98th Congress, S. 800, which would provide a fund for returning to coastal States a portion of oil and gas revenues generated by offshore development.

Such a fund would provide coastal States with the financial aid necessary to develop renewable resource-based industries, enhance fisheries development and coastal programs, and also mitigate onshore impacts of offshore development.

The House passed companion legislation, H.R. 5, last session and Senate consideration is expected early in the second session.

DEEP SEABED MINING

The Deep Seabed Hard Minerals Resources Act was passed during the 96th Congress. The legislation was designed to provide licensing and regulatory mechanisms, and to insure an orderly development of these resources.

The administration's decision not to participate in the Law of the Sea Treaty and the proclamation of a U.S. Exclusive Economic Zone necessitate a close examination of this act by the Committee. The reauthorization process will examine the act to insure that U.S. interests in these offshore resources are adequately protected.

THE COASTAL ZONE MANAGEMENT ACT

In recent years, oil and gas development interests have challenged the legal requirement subjecting Federal lease sales to States consistency review. This litigation concluded with a recent decision by the Supreme Court which exempts Federal lease sales from State consistency review.

The Committee intends to clarify the intent of this act with respect to activities affecting the coastal zone after receiving testimony from concerned interests.

Oversight Activities and New Legislation

FISHERIES DEVELOPMENT

The Committee will continue its involvement in assisting and monitoring the development of the U.S. fishing industry, in particular the development of U.S. harvesting and marketing capacity for what have been termed "underutilized species".

The U.S. annual trade deficit for fishery products currently exceeds $3 billion. The only way this deficit will be substantially reduced is if the U.S. fishing and processing industries are able to capture a larger share of the domestic market while expanding sales on the world market.

There are many parts to an effective, federally assisted fishery development program. Among these parts are the following issues which the Committee will be exploring.

FISHERIES DEVELOPMENT PROPOSALS

The Committee will examine proposals to establish a new entity to promote fisheries development in the United States. Some have argued that the types of fishery development programs currently being handled by the National Marine Fisheries Service could be better run outside the confines of the Federal Government. While the Committee has not expressed an opinion about these proposals, the issue will be the subject of discussion during the second session of the 98th Congress.

TITLE XI LOAN GUARANTEES

The Title XI loan guarantee program of the Merchant Marine Act of 1936 was extended to the processing sector of the fishing industry during the 96th Congress. However, the administration has proposed several restrictions on the program. Late in the 97th Congress, an amendment by Senator Packwood was enacted which precludes the administration from setting a ceiling on these loan guarantees. The amendment provides that a limit may only be set by Congress in authorizing legislation. The Committee will work to ensure that this program remains available to all fishermen and processors who qualify, subject to any statutory ceiling on guarantee commitments that Congress may impose.

CAPITAL CONSTRUCTION FUND

Last year, the Committee reported a bill, S. 254, to extend eligibility for the capital construction fund to onshore fishery processing facilities. This change addresses the capital needs of the fish processing industry and would improve chances for expanding and developing a U.S. controlled bottomfish market. Passage of this legislation will be a priority of the Committee in this second session of the 98th Congress.

FISHERY EXPORT PROMOTION

The Committee will explore the proper Federal role in the area of export promotion. As mentioned earlier, the U.S. fishery trade deficit exceeds $3 billion. Reduction of this deficit would benefit the entire national economy, and is therefore a legitimate concern of the Federal Government. A variety of proposals have been discussed about expanding the Federal role in export promotion (including an export promotion and financial assistance bank). The Committee will continue consideration of these proposals.

FISHERY PRODUCT QUALITY AND STANDARDS

In this area, the Committee will also be reviewing what the proper Federal role might be. It is generally accepted that the quality and uniformity of certain U.S. fishery products must be raised and guaranteed if U.S. products are to penetrate world markets. The Committee will review proposals in this area and encourages the industry to take it upon itself to improve standards and quality control.

EXECUTIVE ECONOMIC ZONE LEGISLATION

On March 10, 1983, the President proclaimed an Exclusive Economic Zone (EEZ) for the United States within which we exercise sovereign rights over living and nonliving resources within 200 nautical miles of our coast. The proclamation followed the administration's decision not to sign the Law of the Sea Treaty. Implementing legislation was introduced in both Houses during the first session to give legislative effect to the goals and declarations contained in the President's proclamation.

Also during the first session, the House passed a bill creating a National Ocean Policy Commission to examine the effects of the U.S. decision not to sign the LOS Treaty and to address issues created by proclaiming a U.S. EEZ.

In the second session, the Committee will discuss the proper legislative response to the Presidential Proclamation.

NATIONAL FISHERIES MARKETING COUNCIL

Early in the second session, the Committee will hold hearings on a proposal to create a National Fisheries Marketing Council (S. 2160). The bill would establish a 16 member council for the purpose of improving the marketing of domestic fish products and promoting consumer education regarding U.S. fish products.

ANTARCTICA

Sixteen nations, including the United States, are Consulative Parties to the 1959 Antarctic Treaty. The Treaty suspended territorial claims over Antarctica, barred military activities, prohibited the storing or testing of nuclear weapons, and assured scientific access to Antarctica by all interested nations.

The Committee will likely consider implementing legislation for the recently completed Convention on the Conservation of Antarctic Marine Living Resources, which was negotiated within the framework created by the 1959 Treaty. Also, a minerals treaty is currently under negotiation and the Committee will discuss issues of concern in this regard, such as marine mammal and environmental protection and continued scientific access.

SCIENCE, TECHNOLOGY, AND SPACE

AUTHORIZATIONS

NATIONAL BUREAU OF STANDARDS (NBS)

NBS is responsible for the development of physical standards and measurement techniques that are essential for scientific, industrial and commercial advancement. New standards and techniques are continually needed to keep pace with increasingly rapid technological developments and the resulting industrial and scientific requirements for more precise measurements.

The Committee will hold authorization hearings on NBS in 1984. Areas of likely interest include NBS activities in support of computer and data processing industries, automated manufacturing and industrial robotics.

EARTHQUAKE HAZARDS REDUCTION ACT

Each year more than a thousand earthquakes are detected in the United States. Depending on the location and magnitude, earthquakes can cause billions of dollars of property losses and injure or kill tens of thousands of people. The Earthquake Hazards Reduction Act of 1977 (Public Law 95–124) was passed to develop a comprehensive national policy and a coordinated program to reduce hazards and risks for earthquakes. The act directs four Federal agencies (U.S. Geological Survey, National Science Foundation, National Bureau of Standards, and Federal Emergency Management Agency) to conduct a variety of activities such as prediction, hazard mitigation, research, earthquake engineering, and response planning for major earthquakes.

In 1982, the Committee directed that the four agencies submit a 5-year coordinated program plan to Congress and requested a GAO study of the management and organization of the earthquake program.

In 1983, the Committee devoted a major portion of its reauthorization activities to a review of the 5-year plan and the GAO report. In 1984, the Committee will again focus on the implementation of the act.

U.S. FIRE ADMINISTRATION (USFA)

USFA was established by the Federal Fire Prevention and Control Act of 1974 to assist States and firefighters in promoting fire prevention and control. Fire prevention and control is a matter of continuing national importance.

In 1983, the Committee reviewed administration decisions to keep firefighting activities in a special unit, rather than placing fire control and support activities in an organizational unit with other activities.

In 1984, the Committee will reauthorize the USFA for fiscal year 1985, with special attention to firefighter training and community awareness activities.

NATIONAL SCIENCE FOUNDATION (NSF)

NSF is the only agency in the Federal Government whose primary responsibility is the support of nonbiomedical basic research. For that reason consideration of authorizing legislation for the NSF by the Committee is particularly important.

During the second session of the 98th Congress, the Committee intends to hold hearings on the NSF budget with particular emphasis on: basic research activities of the NSF; initiatives in scientific instrumentation; and NSF's activities in science and engineering education. The Committee is particularly interested in focusing on the identified primary responsibility of NSF to support fundamental scientific and engineering research.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA)

NASA has the primary Federal responsibility for research and development in space, as in aeronautics. The largest current program is the Space Transportation System, which includes the Space Shuttle. Other major components of the agency are aeronautical research and technology; space science and applications; and tracking and data acquisition.

NASA's 10 Space Shuttle missions have proven that the weightless environment of space is a unique and useful experimental setting. However, attention must now be given to extending man's presence in space. In support of this objective, the Committee will pay particular attention to the issue of a civil space station.

With 10 Space Shuttle missions scheduled in 1984, the Committee and the agency will look for effective operation and optimum utilization of the Shuttle. The Committee will also focus on NASA's commercialization initiative, as supported by the agency's Space Commercialization Task Force and the Space Station Commercialization Task Force, as a means of effectively integrating the private sector into civil space activities. Other issues to which the Committee will devote attention are the commercialization of expendable launch vehicles, the orbiter fleet size, the balance between the civilian and military space programs, space science and applications, and international cooperation and competition.

With respect to aeronautics, foreign competition continues to challenge the longstanding worldwide leadership of the U.S. aviation industry in aviation technology and sales. Mindful of this challenge, the Committee will focus on NASA's aeronautical development and applications programs as a means of maintaining U.S. aviation supremacy, both civil and military.

The Committee anticipates 3 or 4 days of hearings on the fiscal year 1985 NASA authorization. Additional hearings may be devoted to those emerging issues listed above.

LAND REMOTE SENSING

The Federal Government has operated an experimental land remote sensing satellite (Landsat) system since 1972. The Landsat system was originally developed by NASA and is now operated by NOAA. Four satellites have been launched and a fifth is scheduled for launch in March, 1984.

A longstanding goal has been to involve the private sector in land remote sensing. On March 8, 1983, the President announced a decision to seek commercialization of the Landsat system. Subsequent to that decision and congressional action prohibiting transfer of the meteorological satellites, the Department of Commerce has issued a request for proposals, soliciting bids from private parties on the current Landsat system and development of a follow-on land remote sensing system. The Committee will review the proposals submitted to the Department of Commerce by private parties. There are no plans for construction of further Government land remote sensing satellites.

The fiscal year 1984 NASA authorization (Public Law 98–52) specifically prohibits any transfer of Landsat or meteorological satellites without the prior approval of Congress.

Several bills regarding Landsat were introduced during the first session of the 98th Congress. Committee hearings will be held and legislation will be necessary to assure a continued United States land remote sensing capability.

Oversight and Legislation

FEDERAL FUNDING FOR BASIC RESEARCH IN THE UNITED STATES

In recent years, there has been great concern over both the levels for Federal funding of basic research, and the unpredictable and vulnerable nature of that funding, given the characteristics of the Federal budget cycle. The consequences of under investment or limits on investment in this vital function are not usually apparent in the near term and are hard to determine precisely in any event.

More than most other Federal budget categories, funding for basic research is divided among several committees with little coordination among them. Little progress has been made in developing a stable funding for fundamental research, particularly in key scientific disciplines. Such funding should include not only the conduct of the research itself, but the training of talented individuals to do the research and the equipping/re-equipping of research laboratories.

The Committee will be examining this issue and will consider hearings and legislation as appropriate.

NATIONAL SECURITY AND SCIENTIFIC COMMUNICATION

Recent debate on the question of export controls on the flow of scientific information for purpose of national security has raised concern in both the scientific and security communities.

Both the character of the basic research effort in the United States as well as the concept of the university as a place for the free exchange of ideas could undergo a dramatic change if scientists doing basic research were required to submit scientific papers to the Government for prepublication review to determine whether the research was "militarily critical."

The Committee will follow the development of national security controls on scientific and technological data transfer, as well as the impact which any proposed changes (legislative or regulatory) may have on scientific and technological data exchanges.

RISK ASSESSMENT

There is considerable interest in the use of risk assessment by the Federal Government. Risk assessment has been defined as the characterization of potential adverse health effects of varying exposures. Risk management, weighing policy alternatives and selection among various options, is at the heart of the regulatory process.

During 1984, the Committee will hold hearings, and legislation on risk assessment will be introduced.

INNOVATION AND U.S. INDUSTRIAL POLICY

Manufacturing industries are essential to the economic health and security of the United States. In 1981, manufacturing contributed roughly $700 billion to our gross domestic product and employed 20 percent of our workforce. However, the competitiveness in domestic and international markets of many of our industries is threatened by foreign industries with products often equal or superior to those of the United States in terms of cost, quality, reliability, and innovativeness. The devastating effect on the U.S. employment is well known.

In 1983, legislation was introduced (S. 1286) and the Committee held 5 days of hearings, on the broad issue of the role of technology in promoting industrial competitiveness, and particularly on the role of advanced manufacturing technologies in our Nation's ability to compete abroad. In 1984, the Committee will report S. 1286.

BIOTECHNOLOGY

Biotechnology, encompassing both recombinant DNA as well as monoclonal antibodies and related technologies, has emerged as one of the most promising of the new "high technology" industries. Research in this area is burgeoning.

A study requested by the Committee and undertaken by OTA has revealed the current competitive health of the United States in biotechnology relative to other countries, as well as the growing Japanese threat to our lead. The Committee will consider hearings as appropriate.

TECHNOLOGY UTILIZATION

In the 97th Congress, the Committee reported the Uniform Science and Technology Research and Development Utilization Act, a bill

that would increase the return to the American public sector development of new technologies.

The legislation would establish a uniform Federal policy for granting rights to inventions that result from federally funded research. Title to such inventions would generally be granted to contractors, rather than held by sponsoring agencies. The bill is based on the idea that the contractor is better suited to commercially develop inventions than the Federal Government.

The Committee expects to consider this issue again.

MINERALS AND MATERIALS POLICY

The United States has become increasingly dependent on foreign sources for supplies of many strategic minerals and materials that are of critical importance to the national economy and security. This problem is complicated by potential supply interruptions and escalating international competition for these materials. Many U.S. industries also depend on foreign processing of raw materials into usable forms.

In studying strategic minerals and materials, the Committee has found that no simple solutions exist. Even large-scale stockpiling and domestic mining can not insure our capability to process sufficient amount of raw materials in a time of national crisis. The Committee also found that no coordinated Federal policy existed to address strategic materials issues.

As a first step, the Committee developed the National Materials and Minerals Policy, Research and Development Act of 1980 (Public Law 96–479) to establish responsibilities for addressing problems related to strategic materials. This law required the President to submit a report to the Congress on the development of a national materials policy. The Committee has held hearings on the President's report and will oversee further development of a comprehensive national materials policy.

The Committee also requested an Office of Technology Assessment study of technologies to reduce U.S. materials import vulnerability. This study will be completed during 1984, and the Committee expects to hold hearings on the study's findings and search for ways of using science and technology to reduce vulnerability to disruption of supplies of strategic minerals and materials.

SURFACE TRANSPORTATION

Railroad Safety

The Federal Railroad Safety Authorization Act of 1982 authorized funds for fiscal years 1983 and 1984 to support the railroad safety activities of the Federal Railroad Administration, as well as funds to help the states enforce Federal safety laws. It also directed FRA to issue rules related to the safety of railroad passenger equipment and track used for commuter purposes.

The Committee will hold hearings to examine the effectiveness of FRA's safety efforts in reducing rail accidents, injuries, and fatalities. It also will again be looking at the state enforcement program and at FRA's effort to work with industry and labor to improve safety regulations. Further, it will consider the need for any additional changes to improve the railroad safety laws. The Committee plans to approve legislation to reauthorize funds for the Federal and State programs.

Local Rail Service Assistance

The Omnibus Budget Reconciliation Act of 1981 provided funding for the Local Rail Service Assistance program for fiscal years 1982 through 1984. The act also made certain changes in the program, reducing the Federal share of costs for State projects and focusing the use of funds in States with railroad abandonment problems. The purpose of the program is to provide grant assistance to States to help them with rail planning and with the purchase and rehabilitation of low volume branch lines.

The Committee will hold hearings to examine the effectiveness of this program in helping the States with their railroad abandonment problems. The Committee also will consider proposals intended to improve the program and to make the most of available Federal funds. The Committee expects to approve legislation to continue funds for the program.

Amtrak

On May 9, 1983, the Committee favorably reported S. 1117, a bill to authorize funding for Amtrak for fiscal years 1984 and 1985. The bill also makes certain changes in the law governing Amtrak's operations. S. 1117 still is pending on the Senate Calendar. The Committee expects to complete Senate action on the bill.

Staggers Rail Act of 1980

The Staggers Rail Act of 1980 made significant changes in regulation by the Interstate Commerce Commission (ICC) of the railroad industry. These changes were intended to improve the economic health of the railroad industry; to promote more competition and improve

rail service; and to protect shippers through regulation in the absence of effective competition. In July 1983, the Committee held oversight hearings on the effect of the act and the ICC's implementation of it. During the hearings, witnesses testified that the act has improved the financial status of the railroad industry and has opened the way to many innovative service and rate arrangements. On the other hand, witnesses testified that the ICC's implementation of the act has failed to provide adequate protection to captive shippers and to ensure effective competition.

The Committee will hold further hearings on the Staggers Act and on possible legislation directing the ICC to implement the act as originally intended, focusing on the needs of shippers as well as the economic health of the industry. As part of this review, the Committee will consider S. 1081, S. 1082, and S. 2137, and other pending legislation dealing with the Staggers Act.

Trucking Deregulation

The Committee intends to examine the extent to which continued economic regulation of the trucking industry is needed to ensure a strong trucking industry which can provide shippers and consumers with high-quality service at reasonable rates. Among the many issues of interest to the Committee in this regard is the need for further reform of the collective ratemaking process. The Motor Carrier Ratemaking Study Commission, established by the Motor Carrier Act of 1980, in 1983 recommended abolition of antitrust immunity for all trucking industry collective ratemaking activities on July 1, 1984. (Under current law, only immunity for single-line ratemaking is scheduled to be abolished at that time.) Legislation to accomplish this objective and to totally deregulate the trucking industry was introduced during the first session of the 98th Congress (S. 2038—the "Trucking Competition Act of 1983"). The Committee intends to hold hearings on this legislation considering views both supporting and opposing the elimination of collective ratemaking and further entry and rate regulation.

Motor Carrier Safety

Motor carrier safety has long been an issue of considerable concern to the Committee and is of particular concern in light of deregulation and legislation allowing longer and wider trucks. Motor carriers (trucks and buses) traveling in interstate commerce and motor carriers transporting hazardous materials are subject to Federal Motor Carrier Safety Regulations administered by the Bureau of Motor Carrier Safety within the DOT. Enforcement of these regulations, however, has been constrained due to the small number of Federal inspectors and the limited sanctions available for prosecution of violators of the safety regulations. Legislation passed during the 97th Congress authorized DOT to make grants to States in fiscal years 1984 through 1988 to enforce Federal and compatible State motor carrier safety regulations. The legislation also provided protection for trucking company employees who refuse to drive unsafe vehicles or who report safety violations.

During the first session of the 98th Congress, the Committee examined the effectiveness of existing statutes and regulations governing motor carrier safety, and investigated overall motor carrier safety performance. The Committee reported favorably legislation to address this issue—title III of S. 1108—the "Highway Safety Act of 1983", which has been reintroduced as a separate bill, S. 2174, the "Motor Carrier Safety Act of 1983." Action is expected on this legislation, which strengthens the Federal regulatory and enforcement program and ensures the safety fitness of motor carriers. The Committee also intends to examine DOT's implementation of the State grant program for enforcement of motor carrier safety regulations.

Hazardous Materials Transportation

The DOT is responsible for regulating the packaging and transportation of hazardous materials by highway, rail, pipeline, and water. The Committee intends to continue its review of the Department's programs in this area.

Specific issues to be addressed include: the reauthorization of the Hazardous Materials Transportation Act; funding for training, enforcement, emergency response and information-gathering efforts; and the overall coordination of hazardous materials transportation regulation and other activities, not only among the various Federal agencies involved (that is, DOT, Nuclear Regulatory Commission, Federal Emergency Management Agency, Environmental Protection Agency, Coast Guard, and National Transportation Safety Board), but also between the Federal agencies and the appropriate State and local authorities.

During the first session of the 98th Congress, the Committee held a hearing on hazardous materials transportation. The Committee intends to continue to thoroughly examine the numerous issues related to this transportation and to give serious consideration to legislation to legislative proposals formulated by a coalition of state and local and industry representatives.

Uniformity of State Regulations

Motor carriers traveling in interstate commerce face numerous different regulations imposed by States in such areas as vehicle registration, fuel taxes, and third structure tax requirements. In the 97th Congress, the Committee favorably reported legislation which contained a provision establishing a working group to promote greater uniformity of State regulations affecting interstate carriers. The Committee intends to again examine this issue in 1984.

Drunk Driving

Legislation aimed at improving drunk driving enforcement efforts at the State level and establishing a computerized National Driver Register to enable State officials to identify problem drivers was enacted October 25, 1982. As directed by the legislation, NHTSA has promulgated rules to implement the two-tiered incentive grant program contained in the bill. The Committee intends to conduct a hear-

ing in order to examine NHTSA's implementation of this legislation to further improve State drunk driving enforcement efforts.

During the first session of the 98th Congress, the Committee held hearings on and favorably reported the "Highway Safety Act of 1983" (S. 1108). Title II of this omnibus highway safety bill contains provisions aimed at encouraging States to: (1) set the minimum legal drinking age at 21; (2) take steps to combat drugged driving; and (3) computerize their traffic recordkeeping systems. Further action on this legislation is expected in 1984.

Motor Vehicle Theft Prevention

Motor vehicle theft is the fastest growing property related crime in the United States. During the first session of the 98th Congress, the Committee conducted a hearing to investigate the magnitude of this problem and explore means by which law enforcement officials could be assisted in identifying stolen parts and in apprehending thieves.

The Committee intends to take action on legislation aimed at combatting the motor vehicle theft problem during 1984 (S. 1400—the "Motor Vehicle Theft Law Enforcement Act of 1983").

Oversight

CONRAIL

The Northeast Rail Service Act of 1981 provided for the transfer of Conrail's commuter operations and freight service. The commuter operations were transferred to various commuter authorities on January 1, 1983. The freight service is expected to be transferred this year. The Secretary of Transportation is responsible for the freight service transfer plan and is reviewing various private-sector purchase options as well as the possibility of a public offering.

The Committee will hold oversight hearings on the Secretary's efforts to transfer Conrail and on the expected timetable for transfer. The Committee will review the available alternatives with a view toward their impact on rail service for those affected shippers and communities in the Northeast region and on the viability of a continued Northeast rail entity in the private sector.

MOTOR CARRIER ACT OF 1980

The Motor Carrier Act of 1980, enacted July 1, 1980, substantially revised the system of economic regulation governing the trucking industry. In the 1980 act, Congress reformed the Motor Carrier Act of 1935 to place emphasis on competition, rather than economic regulation, to better serve the public's freight transportation needs.

The Committee is required by the 1980 act to conduct annual oversight hearings on the Interstate Commerce Commission's implementation of the act and the effectiveness of the act in achieving the transportation goals contained therein. The Committee conducted oversight hearings in 1981, 1982, and 1983. Testimony presented at these hearings shows that motor carrier regulatory reform has resulted in innovative pricing by carriers, lower transportation costs to shippers, and

no deterioration in small community service. However, the Committee will continue to closely examine any concerns raised about trucking service to and from small communities and the financial viability of the trucking industry under deregulation. The Committee will also continue its general oversight of the act in 1984.

HOUSEHOLDS GOODS TRANSPORTATION ACT OF 1980

The Household Goods Transportation Act of 1980 became law on October 15, 1980. This act encourages competition in the household goods moving industry, by allowing carriers to offer a greater variety of price and service options to consumers, reduces regulation, and provides for essential consumer protection. In addition, the Motor Carrier Act of 1980 contains entry and ratemaking reforms applicable to household goods carriers as well as general freight motor carriers.

The Household Goods Transportation Act requires the Committee to conduct oversight hearings to review the implementation and effectiveness of the legislation. The Committee held oversight hearings in October 1981, December 1982, and November 1983, and intends to continue this oversight in 1984.

Testimony presented at the 1983 oversight hearing showed discrepancies between ICC and DOD policies on various household goods movement issues, such as reweighs of household goods shipments and rate solicitations procedures. The Committee has asked GAO to examine these discrepancies and report to the Committee. The Committee will continue to examine this issue as well as the possible need for industry performance standards.

BUS REGULATORY REFORM ACT OF 1982

The Bus Regulatory Reform Act of 1982 was enacted September 20, 1982. Although the Motor Carrier Act of 1980 streamlined certain Interstate Commerce Commission regulations applicable to buses, prior to enactment of bus reform legislation, the intercity bus industry functioned primarily under regulations promulgated in response to the provisions of the Motor Carrier Act of 1935.

The Bus Regulatory Reform Act of 1982 places increased reliance on competition for intercity bus operations and gives bus companies increased operating flexibility. The entry and ratemaking reforms of this act make it easier for carriers to enter the industry or expand their route networks and also enables carriers to better tailor their operations to specific markets.

The Committee is required by the act to conduct annual oversight hearings on the effects of this legislation to ensure that this act is being implemented according to congressional intent and purpose. The Committee held its first oversight hearing on this legislation in 1983 and will continue its oversight in 1984.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION (NHTSA)

The Committee intends to conduct oversight of NHTSA to determine its effectiveness in carrying out the purposes and congressional intent of the National Traffic and Motor Vehicle Safety Act, the Motor Vehicle Information and Cost Savings Act, and the Highway Safety Act.

In recent years, NHTSA has modified and repealed several regulations adopted pursuant to these acts. These actions include: rescission of the passive restraint standard; weakening of the 5-mph-bumper standard; revocation of the motor vehicle visibility standard; and allowing rulemakings governing side impact crash protection and pedestrian protection in crashes of under 20 mph to lay dormant.

During 1983, NHTSA took steps to strengthen highway safety regulation, issuing rules to require installation of high-mounted rear stop lamps and to allow use of antilacerative windshields in motor vehicles. Further, in response to the U.S. Supreme Court's June, 1983, ruling that NHTSA's 1981 rescission of the passive restraint standard had been "arbitrary and capricious", NHTSA instituted a new rulemaking on passive restraints. NHTSA is scheduled to issue a final rule on this matter in 1984.

During the first session of the 98th Congress, the Committee closely monitored NHTSA's regulatory actions. The Committee intends to continue this monitoring activity.

During 1983, the Committee also conducted a series of hearings on automotive safety technology and the marketplace, investigating such safety devices as airbags, durable bumpers, antilacerative windshields, and high-mounted rear stoplamps. Legislation reflecting the testimony presented at these hearings was introduced and reported favorably by the Committee (title I of S. 1108—the "Highway Safety Act of 1983"). Further action on this legislation is expected in 1984.

The Committee also intends to continue to examine NHTSA's research and development activities, the effectiveness of NHTSA's campaign to promote seatbelt use, the role of vehicle safety in occupational deaths and injuries, and the need for passive restraints and child passenger safety seats.

During the first session of the 98th Congress, the Committee conducted an oversight hearing on general NHTSA activities. The Committee intends to continue to examine NHTSA's various safety activities as well as other safety related issues in 1984.

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